

whether he was making calls that people understood or even calls that people were critical of, Carl was always the same.

Carl's wife, Linda, has stood by him all these years. They have been married 49 years. Now she is getting him home. For those of us who know Carl, sometimes we think that will be good or bad, but Linda has had Carl for that many years, and she is wonderful.

On one special note, Mr. Speaker, Carl's public service transcends, but it is what the man does in private that means a lot. When I was in Iraq in 2008, separated from my family at Christmas, one night I got a text from my wife. When my family was celebrating Christmas without me, Carl showed up on my front doorstep with Christmas presents for my children.

Carl Rogers, you will be missed sorely in the Georgia Legislature, but I still count you as one of my dearest friends.

RECENT TRAGEDIES ARE TIED TOGETHER

(Mr. LOWENTHAL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LOWENTHAL. Mr. Speaker, Dallas, Texas; Falcon Heights, Minnesota; Baton Rouge, Louisiana—these are not individual incidents occurring in a vacuum outside the orbits of each other. These tragedies are tied together by the threads of anger and fear. They filled me with horror, with sadness, and grief.

I know that we as a nation cannot allow ourselves to grow numb to this. Each of these deaths, each of these innocent lives lost, should cause each of us great sorrow and pain. They should pain us not just for the simple loss of human life, but also for the realization that their deaths—and the more than 90 people who die from gunfire each day in this Nation—are the painful signs that something is profoundly wrong in our society.

Let us begin the healing and let us unite by passing no fly, no buy and universal background checks. As the President has said, "We are better than this."

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will postpone further proceedings today on motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote incurs objection under clause 6 of rule XX.

Record votes on postponed questions will be taken later.

U.S. TERRITORIES INVESTOR PROTECTION ACT OF 2016

Mr. HURT of Virginia. Mr. Speaker, I move to suspend the rules and pass the

bill (H.R. 5322) to amend the Investment Company Act of 1940 to terminate an exemption for companies located in Puerto Rico, the Virgin Islands, and any other possession of the United States.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5322

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "U.S. Territories Investor Protection Act of 2016".

SEC. 2. TERMINATION OF EXEMPTION.

(a) IN GENERAL.—Section 6(a) of the Investment Company Act of 1940 (15 U.S.C. 80a-6(a)) is amended by striking paragraph (1).

(b) EFFECTIVE DATE AND SAFE HARBOR.—

(1) EFFECTIVE DATE.—Except as provided in paragraph (2), the amendment made by subsection (a) shall take effect on the date of the enactment of this Act.

(2) SAFE HARBOR.—With respect to a company that is exempt under section 6(a)(1) of the Investment Company Act of 1940 (15 U.S.C. 80a-6(a)(1)) on the day before the date of the enactment of this Act, the amendment made by subsection (a) shall take effect on the date that is three years after the date of the enactment of this Act.

(3) EXTENSION OF SAFE HARBOR.—The Securities and Exchange Commission, by rule and regulation upon its own motion, or by order upon application, may conditionally or unconditionally, under section 6(c) of the Investment Company Act of 1940 (15 U.S.C. 80a-6(c)), further delay the effective date for a company described in paragraph (2) for a maximum of three years following the initial three-year period if, before the end of the initial three-year period, the Commission determines that such a rule, regulation, motion, or order is necessary or appropriate in the public interest and for the protection of investors.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Virginia (Mr. HURT) and the gentlewoman from New York (Ms. VELÁZQUEZ) each will control 20 minutes.

The Chair recognizes the gentleman from Virginia.

GENERAL LEAVE

Mr. HURT of Virginia. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. HURT of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 5322, the U.S. Territories Investor Protection Act, and thank the gentlewoman from New York (Ms. VELÁZQUEZ) for her leadership on this issue.

This measure would amend the Investment Company Act of 1940 to terminate an exemption for investment companies located in Puerto Rico, the Virgin Islands, and any other possession of the United States. Under cur-

rent law, such companies are exempt from registration under the Investment Company Act if their shares are sold exclusively to residents of the territory in which they are located.

This bill is about leveling the playing field, and it ensures that investment companies in Puerto Rico, Guam, and elsewhere are subject to the same rules as their mainland counterparts. Moreover, when the Investment Company Act was enacted, it was difficult and cost prohibitive for the SEC to travel to, inspect, and provide oversight for these companies. Now modern technologies allow the SEC to seamlessly gather information, and it is time that we update this law.

When this measure was considered during the recent Committee on Financial Services markup, it received unanimous support, passing out of the committee by a vote of 59-0. Mr. Speaker, I ask that my colleagues support this bill.

I reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Speaker, I yield myself such time as I may consume.

The Investment Company Act of 1940 governs investment companies such as mutual funds, closed-end funds, unit investment trusts, and exchange-traded funds. Its purpose is to protect investors in such funds and to provide for impartial oversight of these companies.

Among other things, the 1940 act regulates the type of activities that such companies can undertake and establishes standards for their conduct. In doing so, it describes investment companies' functions and their structure; regulates various transactions among affiliated persons; limits the amount of leverage they can undertake; outlines accounting, recordkeeping, and auditing requirements of funds; and describes how securities may be redeemed and repurchased. These matters sound technical, but they provide fundamental protections for investors in U.S. investment companies.

Due to a historical artifact, however, all funds that are located and organized in and sold only to residents of U.S. territories are exempted from the 1940 act. The reason for such an exemption was that, at the time the act was being considered in 1940, the U.S. territories were deemed to be too distant from Washington, D.C., thus making travel to them cost prohibitive. Obviously, the cost of air travel is no longer cost prohibitive and not a reason to exempt territories from the 1940 act.

As a result of this exemption, investment companies located in U.S. territories can sell products to the residents and not be subject to the oversight, disclosure, and conflict-of-interest requirements that such companies located in the mainland U.S. are subject to.

□ 1415

The outcome is that those located in the U.S. territories have been subject

to investment losses, some resulting from behavior that likely would have been prohibited if the act applied to the island's investment companies.

To address this matter, H.R. 5322, the U.S. Territories Investor Protection Act, applies the 1940 act to currently exempt investment companies that are located, organized in, and sold to residents of these territories.

In order to permit investment companies to comply with the legislation, it provides for a 3-year compliance period with an option at the approval of the SEC for an additional 3 years. This time period balances the need to bring the investor protections of the 1940 act to the territories with enough time for affected entities to fully understand and comply with the 1940 act.

It is important to note that if investment companies need further relief from any specific requirement of the 1940 act, they are able to request such relief through the SEC under existing law.

I want to thank Chairman HENSARLING for working with me throughout the last 9 months in a productive manner. Such cooperation was critical to developing an approach that would apply the act in a manner sensitive to investors and investment companies.

As a result, I believe the framework of this bill, when combined with current statutory mechanisms, will provide a sufficient time period for adjustment and compliance.

I urge Members to support this legislation. This legislation will dramatically benefit investors in Puerto Rico. Those that call Puerto Rico home will now be subject to the same investor protection laws that those on the mainland are subject to. This is not only fair, but it is right, as many Puerto Ricans have lost their life savings in investment products offered only on the island.

When it comes to Puerto Rico, it is important to realize that what we are doing is not creating a new law or imposing a Federal mandate on the island. We are simply closing the loophole that has prevented Puerto Ricans from enjoying the same protections as the rest of Americans.

With the enactment of this bill, the 1940 act will be applied to Puerto Rico and other U.S. territories in the same exact manner it is applied to all 50 States. Investors and consumers in Puerto Rico deserve this, and this bill is long overdue.

Not only will the 1940 act provide Puerto Rico's investors with much-needed safeguards, but the current fiscal crisis on the island is creating budgetary challenges for the local government. Having additional Federal oversight of investment activity is now especially critical for the island's residents.

In closing, I want to thank Chairman HENSARLING again for his cooperation and bringing this important bill forward to the floor. I ask Members to support this bill.

Mr. Speaker, I yield back the balance of my time.

Mr. HURT of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would just like to reiterate what Ms. VELÁZQUEZ has said and recognize her hard work on this issue. Clearly, the time is right that we recognize that Puerto Rico, Guam, other territories, and possessions of the United States must be afforded the same protections that the Securities and Exchange Commission provides through the laws of the United States.

I also want to commend our chairman, Chairman HENSARLING, for his leadership on this issue, recognizing that, in this instance and in many instances, he looks for opportunities for us to work together in a bipartisan way.

So I commend this to my colleagues. I certainly want to remind the body that this passed out of committee with a unanimous 59-0 strong bipartisan vote. You can't get any stronger than that. I ask that my colleagues support this measure.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. HURT) that the House suspend the rules and pass the bill, H.R. 5322.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

SUPPORT FOR CAPACITY OF THE INTERNATIONAL MONETARY FUND TO PREVENT MONEY LAUNDERING AND FINANCING OF TERRORISM

Mr. FITZPATRICK. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5469) to require the Secretary of the Treasury to direct the United States Executive Director at the International Monetary Fund to support the capacity of the International Monetary Fund to prevent money laundering and financing of terrorism.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5469

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SUPPORT FOR CAPACITY OF THE INTERNATIONAL MONETARY FUND TO PREVENT MONEY LAUNDERING AND FINANCING OF TERRORISM.

(a) IN GENERAL.—Title XVI of the International Financial Institutions Act (22 U.S.C. 262p—262p-12) is amended by adding at the end the following:

“SEC. 1629. SUPPORT FOR CAPACITY OF THE INTERNATIONAL MONETARY FUND TO PREVENT MONEY LAUNDERING AND FINANCING OF TERRORISM.

“The Secretary of the Treasury shall instruct the United States Executive Director at the International Monetary Fund to support the use of the administrative budget of

the Fund for technical assistance that strengthens the capacity of Fund members to prevent money laundering and the financing of terrorism.”.

(b) REPORT TO THE CONGRESS.—Within 1 year after the date of the enactment of this Act, the Secretary of the Treasury shall report to the Committee on Financial Services of the House of Representatives and the Committee on Foreign Relations of the Senate on—

(1) the activities of the Fund in the most recently completed fiscal year to provide technical assistance that strengthens the capacity of Fund members to prevent money laundering and the financing of terrorism, and the effectiveness of the assistance; and

(2) the efficacy of efforts by the United States to achieve the policy goal described in this section and any further actions that need to be taken to implement this goal.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Pennsylvania (Mr. FITZPATRICK) and the gentlewoman from New York (Ms. VELÁZQUEZ) each will control 20 minutes.

The Chair recognizes the gentleman from Pennsylvania.

GENERAL LEAVE

Mr. FITZPATRICK. Mr. Speaker, I unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. FITZPATRICK. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the IMF provides consultations to improve the economic governance of member countries. Traditional areas of focus have included fiscal administration, monetary policy, and financial statistics. More recently, however, the Fund has had to respond to increased demand for technical assistance devoted to anti-money laundering and countering the finance of terrorism, AML/CFT.

While other international financial institutions also provide such assistance, it is commonly agreed that the IMF's role is preeminent, given its ongoing specialized work with fiscal authorities and other central banks.

The IMF bases its AML/CFT work on the international standards, with its technical assistance including activities such as risk assessments, national AML/CFT strategies, legal and regulatory reforms, and the development of financial intelligence units. These FIUs are particularly important for countries that need to process reports of suspicious transactions that may be related to criminal and terrorism activity.

H.R. 5469 will help the IMF continue and expand these programs by making AML/CFT technical assistance a priority and by reasserting its importance to the U.S. Treasury.

Mr. Speaker, I reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Speaker, I yield myself such time as I may consume.